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## Economic Discourse in Europe between Scholasticism and Mandeville: Convergence, Divergence and the Case of the Dutch Republic

*Karel Davids*

In the past few decades, research on the pre-Smithian period in the history of economic thought has vastly expanded. Numerous important and fruitful insights have emerged as a result. Historians have identified several changes in economic thought before the end of eighteenth century that were scarcely less innovative than the contribution of Adam Smith himself. Among these changes were, for instance, the introduction of a quantity theory of money by the School of Salamanca, the development of a theory on private property in natural law doctrine by Grotius and Pufendorf, the growth of a ›science of trade‹ in England or the elaboration of ideas on the ›liberty of trade‹ in France by Pierre de Boisguilbert and other political economists. Seminal changes in economic thought are nowadays situated at a much earlier point in time than used to be the case in older studies on the history of economic thought. Historians are moreover less prone to establish a direct connection between economic ideas and economic policies. Economic policies are not merely seen as a simple reflection of economic thought, and the evolution of economic thought is not reduced to the immediate product of economic, political and social circumstances but granted a certain degree of autonomy.<sup>1</sup> The historian of economic thought Cosimo Perrotta has pushed this line of reasoning so far as to claim that economic thought in Europe even in the early eighteenth century was still haunted by the ancient ›fear of material goods‹ even though constant growth of wealth supposedly had already started in some places in Europe in the late Middle Ages.<sup>2</sup>

In this article I want to pursue the analysis of economic discourse in the early modern period from a somewhat different angle. The aspect with which I am particularly concerned, is the phenomenon of divergence and convergence in economic discourse both within and between countries of Europe between the sixteenth century and early eighteenth centuries. By ›economic discourse‹ I mean discussions on economic issues conducted in printed works such as in pamphlets, tracts, monographs, textbooks, or commentaries in edited volumes. The historiography of discursive traditions before Adam

<sup>1</sup> T. Hutchison: *Before Adam Smith. The Emergence of Political Economy, 1662–1776*, Oxford 1988; A. Béraud, G. Faccarello (eds.): *Nouvelle histoire de la pensée économique. Des scolastiques aux classiques*, vol. I, Paris 1992; A. Roncaglia: *The Wealth of Ideas. A History of Economic Thought*, Cambridge 2001; L. Magnusson: *Mercantilism. The Shaping of an Economic Language*, London 1994; K. Davids: ›From De la Court to Vreede. Regulation and Self-regulation in Dutch Economic Discourse from c.1600 to the Napoleonic Era‹, in: *The Journal of European Economic History* 30 (2001), 245–289.

<sup>2</sup> C. Perrotta: ›The legacy of the past: ancient economic thought on wealth and development‹, in: *European Journal of the History of Economic Thought* 10 (2003), 177–229.

Smith really abounds with studies on common themes, or lines of thought, shared by thinkers in many different parts of Europe between about 1500 and 1700, such as scholasticism, mercantilism, political economy, or the theory of natural law. Each of these bodies of thought enjoyed a substantial constituency in its day, to be sure, but none of them achieved during this period a clear predominance across Europe. The variety of ideas and vocabularies coexisting at any point in time was always much greater than a survey of separate strands of thinking might suggest. Economic discourse in Europe did in fact not follow a single, common path of development. It would be a futile exercise to devise a master narrative which would run straight from Renaissance Humanists and ascetic Protestants to the Mandevillian beehive and the Smithian invisible hand. However, divergence did not preclude affinities and interconnections. Different bodies of thought still could be related in various kinds of ways.

This article examines how and to what extent economic discourse in Europe between about 1500 and 1700 actually diverged or converged and by what factors these tendencies might be explained. The view which I wish particularly to qualify, is the thesis recently put forward by Cosimo Perrotta to the effect that the ancient ›distrust of material wealth‹, in spite of the mercantilist arguments to the contrary, remained the dominant attitude in European culture up to the Enlightenment. Perrotta relates this failure to adopt values more appropriate to the emerging capitalist economy to the sheer tenacity of old-established ideas, to the continued dominance of the landed aristocracy as well as, in a sense, to the legacy of human evolution since the Neolithic era at large.<sup>3</sup> I do not disagree with the suggestion as such that material wealth in Europe before the eighteenth century was not yet generally trusted. In this respect discursive traditions in Europe to some extent converged. But the reasons for the lack of trust were not exactly those which Perrotta suspected. To demonstrate this, I will devote special attention to the case of the Dutch Republic, which, for all its outstanding economic and cultural achievements during the early modern period, still forms a kind of black hole in the historiography of economic discursive traditions.<sup>4</sup> Discourse in the Dutch Republic showed in fact much more convergence with traditions in the rest of Europe than one would expect. On the other hand, I would suggest that Perrotta's thesis underestimates the degree of variation in economic discourse that actually emerged in the early modern period. Economic thought between c.1500 and 1700 began to show increasing divergence by country, language and social group. Having demonstrated first the nature and extent of convergence and divergence in economic discourse in Europe between c. 1500 and 1700, using the Netherlands as a test case, I will next turn to the question of their origins. Where did the tendencies of convergence and divergence come from? And why, more specifically, did economic discourse in the Dutch Republic at the end of the

<sup>3</sup> Perrotta: »Legacy« (op. cit.), 177 f., 217 f..

<sup>4</sup> A striking illustration of the conspicuous absence of the Dutch Republic in the historiography of economic thought is offered by Roncaglia's recent overview, *The Wealth of Ideas* (2001). The cover of the book shows a painting of the Amsterdam Stock Exchange in the seventeenth century, but the book never mentions Amsterdam or the Netherlands at all!

seventeenth century develop in a different way than that in England? Those are the key questions which will be addressed in the final section of this essay.

### 1. Convergence and the Dutch Republic

Let me take the aspect of convergence first. The Dutch Republic forms a good test case, because it is the last place where one would expect convergence in economic thinking with the rest of Europe. The Dutch Republic was in the seventeenth and early eighteenth centuries the most advanced capitalist economy in Europe and in contrast with nearly all other European societies at the time it was not dominated by a landed aristocracy.<sup>5</sup> If there was one country in Europe before 1700 where old-established ideas in economic thought might have been discarded early and distrust of material wealth might have been overcome, it was doubtless the Republic of the United Provinces.

Yet, in many respects the Dutch Republic before 1700 did *not* show significant deviations from discursive traditions in other countries at all. Economic discourse in the Netherlands diverged in reality much less from well-established traditions than the advanced capitalist nature of its economy might lead one to expect – on the assumption, at least, that the emergence of a capitalist economy indeed provided a more favourable context for a change in discourse than more traditional types of economy. Discourse in the Netherlands was in many ways not unlike discourse in other countries in Europe.

Scholasticism, for instance, did not only for a long time exert a strong hold on Catholic countries of Europe, but at least up till the middle of the seventeenth century to some extent also provided a framework for economic discussions in the very state where the Reformed Church since about 1580 enjoyed the status of the public church. The most intense debate on an economic subject conducted in the Netherlands between the 1630s and the late 1650s revolved, as in scholastic economics, around an issue of distributive justice, namely the question of usury. The protracted discussions between ministers, theologians, legal experts and philologists, which partly were carried on in Latin and partly in Dutch, were not sparked by the general challenge posed by the rise of merchant capitalism *per se* but by the more specific question whether the activities of private and municipal pawnshops, which entailed the charging of interest, were morally admissible or not. Were pawnbrokers allowed to partake in the Lord's Supper? The answers varied wildly. A treatise by a minister of the Reformed Church Johannes Cloppenburgh, commissioned by the Synod of South Holland, argued that charging interest was, generally speaking, permissible but that the practices of private pawnbrokers had to be condemned. Orthodox theologians, entrenched in the university of Utrecht, were convinced that pawnbroking was not admissible at all and mainly appealed to scriptural authority (divine law) to prove their point. The opposite position was defended by, among others, legal experts like Dirck Graswinckel and philologists like Claudius

<sup>5</sup> J. de Vries, A. van der Woude: *The First Modern Economy. Success, Failure, and Perseverance of the Dutch Economy, 1500–1815*, Cambridge 1997.

Salmasius of the university of Leiden, who based their case on natural law as well as a different interpretation of the Scriptures.<sup>6</sup>

Turning from capital to labour, similarities between discourse in the Netherlands and discursive traditions in other countries again leap to the eye. The role of labour was mostly discussed from the perspective of poverty, idleness and vagrancy. In line with humanist thinking exemplified by Juan Lu s Vives and Thomas More<sup>7</sup>, Dutch writers in the late sixteenth century viewed the presence of able-bodied paupers as a threat to society, which should be fought with stern disciplinary measures. Idleness was perceived as a cause of mischief. Beggars and vagabonds were branded as criminals. Dirck Volckertsz Coornhert, who held the post of municipal secretary in Haarlem and Gouda, suggested in his *Boeventucht* (Discipline of Knaves) (1587) to prevent idleness by introducing a system of strict surveillance of potential local sluggards and by excluding all foreign beggars at the city gates, and to combat sloth and crime by sending able-bodied idlers to the galleys, compelling them to work in reclamation projects or locking them up in a prison where they would be forced to toil to earn their daily bread.<sup>8</sup> Inspired by the ideas of Coornhert and other humanists, 'houses of correction' for beggars and vagrants were erected in nineteen towns in the Netherlands between the 1590s and the 1660s. The assumption that the rise of this type of institutions was somehow related to the spread of a 'Protestant ethic' has proved to be groundless.<sup>9</sup>

Studies on Reformed doctrine and its practical application in the Netherlands between about 1570 and 1650 have shown in fact that the Dutch case did not represent a example of the Weberian 'Protestant ethic' at all.<sup>10</sup> Ernst Beins long ago concluded that 'die Wirtschaftsethik der niederl ndischen calvinistischen Kirche' could only be regarded as 'eine recht unvollkommene Ethik der Kapitalismus'.<sup>11</sup> In this respect, too, economic discourse in the Dutch Republic was less out of step with the rest of Europe than the modern appearance of its economy would suggest. Calvinist ministers, elders and theologians in the Netherlands stressed the duty to work steadily and diligently, to be sure, but they saw such activity primarily as a means to provide for oneself and one's family rather than as an instrument to maximize private wealth. Accumulation of riches was *not* regarded as a sign of election. The doctrine of predestination did not produce

<sup>6</sup> J. D. Veegens: *De banken van leening in Noord-Nederland tot het einde der achttiende eeuw*, Rotterdam 1863, 125–266.

<sup>7</sup> R. J tte: *Poverty and Deviance in Early Modern Europe*, Cambridge 1994, 169–177; C. Lis, H. Soly: *Poverty and Capitalism in Pre-Industrial Europe*, Brighton 1979, ch.3.

<sup>8</sup> D. V. Coornhert: *Boeventucht ofte middelen tot mindering der schadelyke ledighganghers*, Utrecht, 1981 (1587).

<sup>9</sup> P. Spierenburg: 'The Sociogenesis of Confinement and its Development in Early Modern Europe', in: P. Spierenburg (ed.): *The Emergence of Carceral Institutions: Prisons, Gallies and Lunatic Asylums 1550–1900*, Rotterdam 1984, 15–42.

<sup>10</sup> E. Beins: 'Die Wirtschaftsethik der Calvinistischen Kirche der Niederlande 1565–1650', in: *Nederlandsch Archief voor Kerkgeschiedenis* 24 (1931), 82–156; P. J. Meertens: 'Godefridus Cornelisz Udemans', in: *Nederlandsch Archief voor Kerkgeschiedenis* 28 (1936); J. C. Riemersma: *Religious Factors in Early Dutch Capitalism 1550–1650*, The Hague 1967.

<sup>11</sup> Beins: 'Die Wirtschaftsethik der Calvinistischen Kirche' (op. cit.), 95, 154 f.

a powerful incentive to get rich.<sup>12</sup> God-fearing men would enjoy material prosperity<sup>13</sup>, so the common view went, but prosperity was not to be taken as certain indication that rich men were saved.

Except to some degree for a brief period in the middle of the seventeenth century, Dutch merchant-writers generally had not much confidence in the security of the foundations of the prosperity of their Republic. While foreign authors looked with envy and wonder at Dutch economic achievements and determinedly sought to uncover the supposed ›secrets‹ of the success of their market economy in order to deduce some useful lessons for the economic development of their own country<sup>14</sup>, the dominant mode in the economic discourse among this category of writers in the Netherlands itself was rather one of defensiveness. However attractive the Dutch were ›as a source of evidence‹ for mercantilist writers and political economists in England – in Joyce Appleby's memorable phrase –, the Dutch themselves were by no means convinced that they were the fortunate owners of the Holy Grail of economic growth. Once again we find convergence rather divergence between the Netherlands and other countries in Europe. The cause of this lack of confidence was not, as Simon Schama would have it, an affliction by the embarrassment of riches.<sup>15</sup> Nor were the Dutch struck by a primordial ›fear of goods‹ or seized upon by a distrust of material wealth as such. The authors of the texts were after all merchants themselves.

What emerges in these economic writings by merchant-authors, all composed in Dutch, is rather a powerful desire to protect the economic position of the Republic against its existing or potential competitors. The earliest example is the work of Willem Usselinx, a merchant from Antwerp who in 1591 had moved to Amsterdam. In the early 1600s, Usselinx published a series of pamphlets warning against the economic consequences of a peace between the Republic and Spain. The outbreak of peace would imply not only that the United Provinces would suffer by the competition from the more advanced economy in the Spanish Netherlands but would also forfeit the possibilities of expansion into the western hemisphere. Usselinx argued that the optimal strategy to safeguard the wealth and power of the Republic was the establishment of colonies in the West-Indies and the Americas outside the territory dominated by Spain. These colonies, peopled with Indians and settlers from Holland and other areas in Continental Europe, would serve both as producers of raw materials and foodstuffs for the mother country and as markets for industrial products made in the Dutch Republic. Settlers would not be allowed to set up industries themselves or to trade with any other country than the Netherlands. Trade and shipping between the colonies and the metropolis, as well as the colonization effort itself, would be managed by a new trading company, the West-India Company. The American colonies and the Netherlands thus would form a

<sup>12</sup> Ibid., 123 f., 154 f.

<sup>13</sup> Meertens: »Godefridus Cornelisz Udemans« (op. cit.), 101.

<sup>14</sup> J. Appleby: *Economic Thought and Ideology in Seventeenth-Century England*, Princeton 1978, ch. 4.

<sup>15</sup> S. Schama: *The Embarrassment of Riches. An Interpretation of Dutch Culture in the Golden Age*, New York 1987.

single, tightly knit economic system, enjoying maximum protection from competition from abroad.<sup>16</sup>

Similar opinions kept being voiced as the seventeenth century advanced. Around 1660, colonization efforts at the other side of the Atlantic were viewed by many people in the Netherlands as a sovereign remedy for the economic ills at home. The anonymous author of a pamphlet published in 1659, *’t Verheerlickte Nederland door d’herstelde zee-vaart* (Raising the Netherlands by the restoration of shipping) argued that the best way to improve the perceived dire situation of the Dutch economy and restore the prosperity of the country was the establishment and expansion of colonies in the Americas, following the model of Spain, Portugal, France and England. Colonization in the New Netherlands, Florida and the Guyanas would open up vast possibilities for Dutch shipping, trade, agriculture and industry, just as colonization in the Americas and the West Indies had yielded great riches for the Spaniards, the Portuguese, the French, and the English. Once a colonial empire had been created, trade and shipping would be less vulnerable to foreign intervention while profits would flow to the Netherlands itself. The main difference with Usselinx’s project was, that the author of this pamphlet thought that the leading role in these colonization efforts should not be played by a trading company, but by the States General and the States of Holland.<sup>17</sup> The De la Court brothers in their publications in the 1660s, too, were not averse from advocating protectionist measures. Levying extra taxes on foreign goods was not a bad thing, they claimed, as long as it did not divert trade. Like Usselinx, they thought that the settlement of overseas colonies should be encouraged in the interest of the motherland.<sup>18</sup> Authors from non-entrepreneurial backgrounds, notably the radical Amsterdam schoolmaster Franciscus van den Ende and the Mennonite ›projector‹ Pieter Cornelisz Plockhoy from Zeeland, joined in these discussions on colonization by designing plans to organize overseas settlements as an ideal political society and a social utopia.<sup>19</sup>

When competition from England and Hamburg in trade and shipping became more intense and Colbert’s mercantilist programme in France in the late 1660s got into full swing, the protectionist position in economic discourse in the Netherlands received even more support. In contrast to the previous period, the focus of the discussions was now almost exclusively on policy measures in the home country itself.<sup>20</sup> Willem van der Voort, a prominent Amsterdam merchant and Pieter de la Court’s brother-in-law, argued in 1671 that the Dutch should take care not to grant foreigners more favours

<sup>16</sup> C. Ligtenberg: *Willem Usselinx*, Utrecht 1915, 45–74; Th. van Tijn: »Dutch Economic Thought in the Seventeenth Century«, in J. van Daal, A. Heertje (eds.): *Economic Thought in the Netherlands: 1650–1950*, Aldershot 1992, 14–17.

<sup>17</sup> Anonymus: *’t Verheerlickte Nederland door d’herstelde zee-vaart*, Amsterdam 1655 (s. l. 1659), 9–11, 29 f., 51.

<sup>18</sup> V. D. H. (= Pieter de la Court): *Aanwysing der heilsame politike Gronden en Maximen van de Republike van Holland en West-Vriesland*, Leiden, Rotterdam 1669, 87, 99, 114, 120 f., 142–160.

<sup>19</sup> Van Tijn: »Dutch Economic Thought« (op. cit.), 22–25; W. Klever (ed.): *Franciscus van den Enden Vrije politieke Stellingen*, Amsterdam 1992, 29–64. Fear of overpopulation was in the Netherlands rarely used as an argument for colonization, as E. Laspeyres: *Geschichte der volkswirtschaftlichen Anschauungen, der Niederländer und ihrer Literatur*, Leipzig 1863, 101 f. has pointed out.

<sup>20</sup> Davids: »From De la Court to Vreede« (op. cit.), 259–261.



in trade and shipping than they received in return. Foreigners should be forbidden to import products other than those from the country of origin and to carry these goods in other ships than those owned in that country or in the Dutch Republic.<sup>21</sup> At the very start of Louis XIV's first war against the United Provinces in 1672, Arend Tollenauer presented a set of ›articles of political faith‹ to the States of Holland, in which he argued that the protection of industry in Holland required not only that the old-established ban on the import of dyed and finished wool and the newly-imposed prohibition on the import of French commodities would remain in force for many years to come, but also that the coordination of economic policy between cities in Holland would be improved by the formation of a ›council of commerce, manufactures and trades‹ under the aegis of the States of Holland and that the other provinces of the Union would refrain from levying duties on manufactured products from Holland.<sup>22</sup> The recruitment of craftsmen and manufacturers to foreign countries or the transport of industrial equipment abroad should be forbidden. Industrial producers must be assisted by the establishment of an insurance fund. The consumption of domestic industrial products had to be encouraged by lowering the cost of living and by obliging all regents, officials and civil servants to wear only cloths made in Holland.<sup>23</sup>

At the time of the next war with France, starting in 1688, protectionist tendencies were pushed to extremes by a writer whom Etienne Laspeyres has characterized as ›the foremost supporter of the protective system grown out of the economic warfare against France‹, the Amsterdam merchant Christopher Indiseraven.<sup>24</sup> For the first time the protectionist case was bolstered with ›bullionist‹ arguments. Indiseraven stressed the need for a rigorous and coordinated enforcement of existing import bans on French commodities to cut the outflow of ›Dutch‹ money to France and thus enable the growth of substitute industries and cripple the war machine of Louis XIV. In order to increase the money supply in the Dutch Republic for the benefit of commerce and the conduct of war, he also pleaded for raising the nominal value of silver with some 5 % to divert a larger part of the bullion flow from Spain to Holland.<sup>25</sup> During the War of the Spanish Succession, Indiseraven several times approached the most powerful statesman in the United Provinces, Pensionary of Holland Anthonie Heinsius, to suggest concrete economic means by which the French war effort might be hurt.<sup>26</sup>

<sup>21</sup> J. H. Kernkamp (ed.): »Van der Voorts Speculatiën op 't stuck van de comertie ende navigatie dese(r) landen«, in: *Bijdragen en Mededelingen van het Historisch Genootschap* 72 (1958), 90–95.

<sup>22</sup> A. Tollenauer: *Remonstrantie ofte vertoogh inhoudende verscheyden schatten van groote consideratie*, The Hague 1672; A. Tollenauer: *Stucken, bewijzen ende berichtingen dienende voor verdere bijlagen*, The Hague 1672.

<sup>23</sup> Tollenauer: *Remonstrantie* (op. cit.), 6, 10, 16 f.; A. Tollenauer: *De voor-looper wegens de ontdekkinge van diversche seer schadelijcke en schandelucke in ende uytheemsche landtverraders ende landtverraderessen*, The Hague 1674.

<sup>24</sup> Laspeyres: *Geschichte der volkswirtschaftlichen Anschauungen*, (op. cit.), 138.

<sup>25</sup> C. Indise-Raven: *Consideratie op de middelen tot voordeel van den staat ende afbreuk van den vyant*, Amsterdam 1691; C. Indise-Raven: *Vrankrijk verduurt en overwonnen door de band van de Unie deser Staten*, Amsterdam 1691; C. Indise-Raven: *Remonstrantie en middelen tot redres van de vervalte munten der Vereenigde Nederlanden*, (S.l 1693).

<sup>26</sup> A. J. Veenendaal (ed.): *De briefwisseling van Anthonie Heinsius, 1702–1720*, The Hague, vol.



For a brief period in the middle of the seventeenth century, however, we *do* find a few authors taking the economic discourse into new, divergent directions. In his *Placcaet-boeck op 't stuck vande lijf-tocht* in 1651 Dirck Graswinckel argued that the corn trade of Holland should not be restricted by import or export bans, even in times of skyrocketing prices. The freedom of commerce should as far as possible be maintained, although import duties were allowed. Local governments should not intervene in the trade by the regulation of prices; they might only be advised to build up stocks of grain for emergencies. Graswinckel reasoned that high grain prices and free trade were beneficial for everyone, because they led to higher incomes of tenants and landowners, raised the revenue of the state by means of land taxes, attracted additional imports of grain and generally favoured the growth of Dutch commerce.<sup>27</sup> The most far-reaching plea for deregulation of economic life was made by the brothers De la Court in *Het Welvaren van Leiden* and the *Interest van Holland*. The De la Courts argued that Holland's wealth largely derived from four sources: industry, fishery, trade and merchant-shipping. The level of prosperity in Holland could in their view only be maintained, if the strength of these sources of wealth was not stifled by a web of rules and regulations. The natural liberty of the inhabitants of Holland to seek their means of subsistence should not be hindered by any sort of chartered or closed company or corporate organization. Formal monopolies were deemed to be prejudicial to the general interest of Holland.<sup>28</sup> The arguments of the De la Courts in favour of deregulation in economic life did leave some traces in later economic discourse in the Netherlands itself, notably in a few pamphlets published around 1700<sup>29</sup>, but it eventually had more influence at the other side of the North Sea, notably as we shall see, through the work of Bernard Mandeville.

## 2. Divergence and the Dutch Republic

Economic discourse in the Netherlands thus was more convergent with traditions in other countries in Europe than the advanced nature of its economy might suggest. However, this finding should not blind us to the fact that discursive traditions in Europe in many respects *did* diverge. While scholastic economic thinking, for example, began to lose its hold in France in the second half of the seventeenth century, it kept flourishing in Spain and Italy until well into the eighteenth century.<sup>30</sup> In the Netherlands and Germany, natural law theory elaborated by Grotius and Pufendorf built on scholastic

VIII, 1986, 436 f., no. 883 Indiseraven to Heinsius 13 April 1709, The Hague, vol. IX, 1988, 208 f., no. 435 Indiseraven to Heinsius 30 August 1709, The Hague, vol. XIV, 1995, 167 f., no. 272 Indiseraven to Heinsius 27 October 1712.

<sup>27</sup> D. Graswinckel: *Placcaet-boeck op 't stuck vande lijf-tocht*, Leiden 1651, 110–172, esp. 170 f.; G. J. Liesker: *Die Staatswissenschaftlichen Anschauungen Dirck Graswinckel's*, Freiburg 1901, part 1, ch. 2 and 3.

<sup>28</sup> Davids: »From De la Court to Vreede« (op. cit.), 256–258.

<sup>29</sup> Ibid., 260–264.

<sup>30</sup> M. Grice-Hutchison: *Early Economic Thought in Spain 1177–1740*, London 1978, 107–110.

ideas, but developed these into new directions as well.<sup>31</sup> As for mercantilism, Lars Magnusson has stressed that the generic term ›mercantilism‹ covered in fact a spectrum of ›national discourses‹, each of which showed specific aims and frameworks.<sup>32</sup> The nature of mercantilist debates varied from country to country, and sometimes by social group as well. Whereas in the German variant of mercantilism (camerarism), for example, the categories of ›economy‹ and ›polity‹ enjoyed no independent existence and the *économie politique* in France up till 1700 mainly focused on the relation between the state and self-sufficiency without trying to develop general conceptions about trade or the economy as a separate sphere, Swedish mercantilists in the eighteenth century under the influence of Pufendorf's theories reasoned that independent economic laws probably *did* exist but that the state should take the lead in regulating economic development in an orderly manner. Within the mercantilist discourse in Sweden, however, economic visions showed differences by social group. Economic regulation defended by university scholars was criticized by ›reform mercantilists‹, who expressed the views of special interest groups such as ironmasters.<sup>33</sup> Mercantilism in England was according to Magnusson a special case in the sense that only there mercantilist discourse eventually gave rise to ›a science of trade‹. It was in England in the 1690s that a number of economic writers tried to establish ›the general principles on which an independent system [turning on] commerce and trade was based‹, focusing on the question ›how the market process in general, and increased foreign trade in particular, might increase the wealth and power of a national economy‹.<sup>34</sup>

From the late seventeenth century onwards, economic discourse in the Dutch Republic began to differ from discursive traditions in other countries of Europe at an important point, too. Although the Netherlands did not witness the emergence of a ›science of trade‹, it showed a singular line of development in another respect. Economic discussions in the Netherlands after c.1700 were hardly concerned with the issues that formed the focal point of debate elsewhere in Europe. The question of compatibility between ›virtue‹ and ›commerce‹ was not a matter of controversy. The existence of commercial society was not really considered to be in need of any justification at all. It was simply accepted as a matter of course. It was assumed that the Republic owed its very being to the growth of commerce. Thus, economic writers in The Netherlands did not busy themselves with making comparisons between agrarian and commercial societies, contrasting the relative merits of landed versus mobile property or ruminating about the corrupting or mollifying influence of commerce on the morals in society.<sup>35</sup>

<sup>31</sup> O. Langholm: *The Legacy of Scholasticism in Economic Thought*, Cambridge 1998, 165–168; Béraud, Faccarello: *Nouvelle histoire* (op. cit.), 84–89.

<sup>32</sup> Magnusson: *Mercantilism* (op. cit.), 174–203.

<sup>33</sup> L. Magnusson: ››Mercantilism‹ and ›Reform‹ Mercantilism: The Rise of Economic Discourse in Sweden during the Eighteenth Century‹, in: *History of Political Economy* 19 (1987), 415–433.

<sup>34</sup> Magnusson: *Mercantilism* (op. cit.).

<sup>35</sup> Davids: ›From De la Court to Vreede‹ (op. cit.), 253 f.

### 3. Origins of convergence and divergence

How can the tendencies of convergence and divergence described above be explained? And why, more specifically, did economic discourse in the Dutch Republic at the end of the seventeenth century take a different turn from that in England? These are the issues to which I now will turn.

#### 3.1 Origins of convergence

Cosimo Perrotta was, I think, partly right. Economic discourse in Early Modern Europe was in many ways still indebted to the legacy of Antiquity. The influence of Antiquity certainly remained active at the level of communication. Theologians, philosophers and jurists across Europe often still communicated in Latin. The persistence of Latin as a *lingua franca* in academia meant that bodies of thought that found mostly expression in Latin, such as scholasticism or theories of natural law, could without difficulty travel from one country to another.

Convergence between countries could also be promoted by the force of example. Even if communication between different countries was hampered by linguistic barriers, mutual influence could nevertheless operate by means of policy models. The Dutch pamphlet I discussed above, called *'t Verheerlickte Nederland door d'herstelde zeevaart*, published in 1659, is an excellent case in point. Although the author did not betray any familiarity with mercantilist thinking in other countries of Europe, he was evidently well informed about the actual policies adopted by England, France, Spain and Portugal to protect their own economies and build an colonial empire. The strategy he proposed for solving the economic problems of the Netherlands was apparently directly inspired by such foreign examples. I suspect that a similar mechanism operated in the case of other Dutch authors arguing in a mercantilist fashion, like Willem Usselinx, Willem van der Voort, and Christopher Indiseraven. Convergence thus may to some extent have been stimulated by the exemplary effect of specific foreign policies rather than by the international transmission of ideas.

At a more fundamental level, economic discourse in Europe in the early modern period, despite a certain degree of autonomy, still reflected the basic conditions of pre-industrial society. Whatever their economic differences, all countries in Europe before the end of the eighteenth century shared an essential similarity, viz. that none of them succeeded in achieving self-sustained and accelerating growth. For all their pioneering contributions to the development of capitalism, even the Italian, German and Flemish cities in the Late Middle Ages and the Renaissance or the Dutch Republic in its Golden Age never managed to realize a breakthrough in production technology that permitted a constant growth in wealth. The emergence of capitalism did not imply a sustained increase of per capita income. What several regions in Europe in fact accomplished in the late Middle Ages and the early modern era, like Song China before and Tokugawa Japan and Qing China in more or less the same period, was to create what the sociologist

and world historian Jack Goldstone has called an ›efflorescence‹ – »a relatively sharp, often unexpected upturn in significant demographic and economic indices, usually accompanied by political expansion and institution building and cultural synthesis and consolidation«.<sup>36</sup> This was not an uncommon occurrence in human history. Judging by past experience, people who lived in a ›golden age‹ of creativity and achievements had no reason to expect that prosperity would last forever. Growth of wealth was not guaranteed. Riches were never secure. It was not until the beginning of the nineteenth century that the Industrial Revolution in Britain at last opened the possibility of sustained economic growth.

### 3.2 Origins of divergence

Why, then, did any divergence in thinking about economic issues in Early Modern Europe occur at all? Economic discourse in Early Modern Europe was by no means entirely wedded to the legacy of Antiquity. It was not wholly locked-in in old-established traditions. Changes and variations *did* happen in course of time.

Even if Latin did not lose its status as *lingua franca* in academia until the second half of the nineteenth century, it was already in *relative* decline as a medium for communication in economic discourse in the early modern period. An increasing part of the writings on economic subjects was composed in the vernacular. Next to the body of publications in Latin, there appeared a growing number of books, pamphlets or tracts written in Italian, French, Spanish, English, Portuguese, Dutch, German, Swedish, or other languages. The increased use of the vernacular may have eased communication within a given country. The flip side of this shift from a single, universal language to a multitude of tongues, however, was a loss in intelligibility in communication between countries. Latin used to be understood by every educated person in Europe, but knowledge of French, English or Dutch was geographically much more skewed.

The growing linguistic diversity implied that the circle of people who could be acquainted with particular texts, in case these texts were composed in the vernacular, was to a greater extent restricted to specific countries than if these texts had been written in Latin. Writings on mercantilism and political economy, which mostly appeared in the vernacular, therefore travelled much less easily from one country to another than scholastic texts or publications on natural law.

Knowledge of English, for example, was before 1700 outside the British Isles much more rare than today. It is therefore not to be expected that in the seventeenth century many people on the Continent were actually reading the English texts that nowadays often figure as early specimens of political economy or typical examples of reasoning in the mercantilist vein. In the Dutch Republic, there was a wide-spread ignorance of the English language and English books as late as the end of the seventeenth century.

<sup>36</sup> J. Goldstone: »Efflorescences and Economic Growth in World History: Rethinking ›the Rise of the West‹ and the Industrial Revolution«, in: *Journal of World History* 13 (2002), 323–389, 333.

Institutional facilities for learning English did not yet exist. The vast majority of English titles that appeared in Dutch translation, i.e. 75 to 80 %, were religious writings.<sup>37</sup> One looks in vain for translations of Gerard de Malynes' *The maintenance of free trade*, Edward Misselden's *The circle of commerce or the balance of trade*, Thomas Culpepper's *A tract of usury*, Thomas Mun's *England's treasure by forraign trade*, Josiah Child's *Brief observations concerning trade and interest of money* or William Petty's *Political arithmetick*. Thus, debates on economic subjects in England were in the Dutch Republic at the time apparently not widely known. The networks of economic discourse in these two countries before 1700 appear to have been, at least from the Dutch side, only tangentially connected..

Knowledge of French and Italian was in the seventeenth Netherlands definitely much more common than that of English. Even the brothers Johan and Pieter de la Court, who *did* understand English, only sparingly used English in their books *Het Welvaren van Leiden* and *Interest van Holland*. The number of expressions and quotations in English (2 and 1, respectively) actually paled into insignificance beside those in French (15 and 8) and Italian (18 and 12), let alone those in Latin (116 and 72).<sup>38</sup> French was at the time the second language in nearly all cities in Holland, thanks in part to the influx of refugees from Wallonia at the end of the sixteenth century and of Huguenots a century later. Instruction in French could be received at so-called 'French schools', at a number of grammar schools and in classes offered in private.<sup>39</sup> A visit to France during a Grand Tour, including a brief stay at a university in the Loire region, was in the seventeenth century a regular part of the education of scions of the Dutch elite.<sup>40</sup> Many Dutchmen, having studied in Padova or having visited Italy on their Grand Tour, were conversant with Italian, too.<sup>41</sup> Thus the odds are that educated people in the Netherlands before the eighteenth century were more familiar with economic discourse in Mediterranean countries than that in the British Isles. In contrast with English mercantilist tracts, works by Giovanni Botero, for example, were in the Dutch Republic quite well-known.<sup>42</sup>

Within individual countries, linguistic diversity was to some extent intertwined with differentiation between social groups. Economic discourse in the early modern period differed not only from that in the Middle Ages in a gradual shift from Latin to the

<sup>37</sup> C. W. Schoneveld: *Intertraffic of the Mind. Studies in Seventeenth-Century Anglo-Dutch Translatin with a Checklist of Books translated from English into Dutch, 1600–1700*, Leiden 1983, 118, 123–129.

<sup>38</sup> J. Lucassen: »Het Welvaren van Leiden (1659–1662): de wording van een economische theorie over gilden en ondernemerschap«, in: Boudien de Vries et. al. (eds): *De kracht der zwakken. Studies over arbeid en arbeidersbeweging in het verleden*, Amsterdam 1992, 13–48, 35.

<sup>39</sup> W. Th. M. Frijhoff, M. Spies: *1650. Bevochten eendracht*, The Hague 1999, 234.

<sup>40</sup> W. Th. M. Frijhoff: *La société néerlandaise et ses gradués, 1575–1814*, Amsterdam 1981, 60, 85 f., 383; A. Frank-van Westrienen: *De Groote Tour. Tekening der educatiereis der Nederlanders in de zeventiende eeu*, Amsterdam 1983, 145–50.

<sup>41</sup> E. O. G. Haitisma Mulier: *The Myth of Venice and Dutch Republican Thought in the Seventeenth Century*, Assen 1980, 54; A. Frank-van Westrienen: *De Groote Tour* (op. cit.), 164–169.

<sup>42</sup> E. Taverne: *In't land van belofte: in de nieuwe stad. Ideaal en werkelijkheid van de stadsuitleg in de Republiek 1580–1680*, Maarssen 1978, 346, 463 note 60.

vernacular, but also in the increased variation of the social background of the participants. Next to the jurists, theologians and philosophers who traditionally set the tone in discussions on economic topics, other groups, notably merchants, administrators and ›projectors‹, began to make their voices heard as well. Early political economists in England, such as Gerard de Malynes, Edward Misselden, Thomas Mun, Josiah Child, and Charles Davenant, belonged to these very groups.<sup>43</sup> The same applied to several leading economic writers in the seventeenth-century Dutch Republic, such as Willem Usselinx, Johan and Pieter de la Court, Willem van der Voort, Arend Tollenae, and Christopher Indiseraven, and to the author of an early mercantilist tract in the Spanish Netherlands, Pierre Cardon, a merchant from Ghent.<sup>44</sup> In the Iberian Peninsula, administrators, ›projectors‹ and the odd member of the merchant class in the sixteenth and seventeenth century became actively involved in debates on subjects that were formerly the preserve of university doctores.<sup>45</sup> In contrast with the traditional discussants, these newcomers expressed their views commonly in the vernacular rather than Latin.

Connections between circles of discourse in different countries could exist, to be sure, even if the knowledge of each other's language was not very widespread and translations were rare. There were after all always some individuals who *did* have a command of several foreign languages and act as a kind of cultural mediator. And merchants, administrators and ›projectors‹ were not all ignorant of Latin either. The *mercator sapiens* was more than a rhetorical topos. The brothers De la Court, professional cloth merchants who were able to intersperse their texts with quotations and expressions in Latin, were no exception. Grain merchant Joost Willemsz van Nieuckerck, who in 1630 and 1631 published some tracts arguing that the formation of a Dutch Muscovy Company would be an effective means to combat high buying prices in Russia, was well-versed in classical sources, too.<sup>46</sup> Throughout the seventeenth and eighteenth centuries, a substantial part of the mercantile elites in the Dutch Republic not only attended a grammar school but also received a university education (most often, in law), although the relative importance of an education in Latin and a university training after 1700 showed a tendency to decline.<sup>47</sup> In Italian cities, grammar schools, which offered instruction in Latin, became in the seventeenth century progressively more important in

<sup>43</sup> T. Hutchison: *Before Adam Smith* (op. cit.), ch. 2 and 4; J. Appleby: *Economic Thought* (op. cit.), ch. 2 and 4.

<sup>44</sup> Davids: »From De la Court to Vreede« (op. cit.), 256–262; Ligtenberg: *Willem Usselinx* (op. cit.); Passim, A. J. Veenendaal (ed.): *Briefwisseling Anthonie Heinsius*, vol. VIII, 436 note 1; R. Beutels, R. De Schrijver: *Over het mercantilisme in de Spaanse Nederlanden*, Tiel 1991, 163–166.

<sup>45</sup> Grice-Hutchison: *Early Economic Thought in Spain* (op. cit.), ch. 4; L. Baeck: *The Mediterranean Tradition in Economic Thought*, London, New York 1994, 191–204; A. Almodovar, J. L. Cardoso: *A History of Portuguese Economic Thought*, London, New York 1998, 17–35.

<sup>46</sup> I. W. N. (= Joost Willemsz (van) Nie(uw)kerck): *Klaer-bericht ofte aenwysinge hoe ende op wat wijze de tegenwoordige dierte der granen sal kunnen geremedieert*, The Hague 1630; I. W. N. (= Joost Willemsz (van) Nie(uw)kerck): *Naerder bericht ofte aenwysinge hoe en op wat maniere datmen altijd goetd koop broodt voor de gemeynte sal veroorsaecken*, Amsterdam 1631.

<sup>47</sup> W. Th. M. Frijhoff: »La formation des négociants de la République hollandaise«, in: F. Angiolini, D. Roche (eds.): *Cultures et formations négociantes dans l'Europe moderne*, Paris 1995, 175–198, 178–183.

the education of merchants than abacus schools, which emphasized training in practical subjects.<sup>48</sup> A background in the humanities was assumed to be an valuable part of the formation of commercial elites. In France, by contrast, merchants showed themselves by the second half of the seventeenth century already quite hostile to instruction in the classics.<sup>49</sup> Networks of discourse in Latin and the vernacular thus could be connected and even to some extent overlap, but the degree of connection varied by country and by period.

### 3.3. The Dutch Republic and England compared

Economic discourse in the Dutch Republic showed signs of divergence from discursive traditions in other countries of Europe but it produced no ›science of trade‹ as in England. How, finally, can this difference in development between these two countries be explained? The renewal in economic thought in the Netherlands starting in the middle of the seventeenth century was aided by the circumstance that the spheres of authority of the government and the Reformed church were at that time more clearly demarcated than before. In the *Placcaet-boeck op 't stuck vande lijf-tocht*, Dirck Graswinckel openly challenged the right of ›scholastic theologians‹ to meddle with the government of the Republic. Theologians had no right to lay down the law for public authorities, he argued, even if it were the law of Moses.<sup>50</sup> The States of Holland and the States of Gelderland took the very same point of view a few years later, when, in 1658, they abruptly put an end to the debate on usury by decreeing that the Reformed Church should not make any rules about the question whether charging interest was admissible or not. The matter came solely within the jurisdiction of the public authorities, not within that of the Church.<sup>51</sup>

The restriction of the sphere of competence of the Reformed Church did not imply, meanwhile, that the public debate in the Dutch Republic was not longer bound by any rules at all. Local, provincial and central governments were perfectly willing and able to curtail the freedom of speech and the press, if particular discussions or publications were deemed to form a threat to the public authorities themselves or against religion as such. For this very reason, the government of Amsterdam in 1662 forbade Franciscus van der Ende to hold disputations, the States of Holland in 1674 prohibited the Dutch edition of Thomas Hobbes' *Leviathan* and the authorities of Rotterdam in 1693 banned physician Michael Mandeville from the city because of his involvement with the publication of a series of lampoons aimed at the powerful, vicious bailiff Jacob van Zuijlen van Nijvelt. His son, Bernard, left Rotterdam at the same time under a cloud as well.<sup>52</sup>

<sup>48</sup> G. P. Brizzi: »Le marchand italien à l'école entre Renaissance et Lumières«, in: Angiolini, Roche (eds.): *Cultures et formations négociantes*, 199–214, 204–213.

<sup>49</sup> D. Julia: »L'éducation des négociants français au 18<sup>e</sup> siècle«, in: Angiolini, Roche (eds.): *Cultures et formations négociantes*, 215–256, 218–224.

<sup>50</sup> Graswinckel: *Placcaet-boeck* (op. cit.), 103–104.

<sup>51</sup> Veegens: *Banken van leening* (op. cit.), 167–169.

<sup>52</sup> Klever: *Franciscus van den Enden* (op. cit.), 31; I. Weekhout: *Boekencensuur in de Noordelijke*



Yet, the relative tolerance for dissenting opinions in mid-seventeenth century Holland had long-lasting consequences. When Bernard Mandeville left Rotterdam and then the United Provinces altogether, he had in the circle of his own family and political friends and during his student days in Leiden already undergone the influence of the theories of the De la Court and of Cartesian thinking. As E. J. Hundert and Harold Cook have pointed out, it was the work of De la Courts and Descartes' *Passions de l'âme* that taught Mandeville that ›although the passions control human behaviour, they can lead to the [general] good even when individuals are not governed by reason.‹<sup>53</sup>

However, Mandeville's thought eventually blossomed in England rather than in the Netherlands and his country of origin did not see the rise of substitute Mandevilles. This was no accident. After the Glorious Revolution, the Dutch immigrant community in England substantially grew. Dutch immigrants for more than fifty years played a disproportionately large role in the commercial and financial life of London.<sup>54</sup> Apart from Mandeville, this immigrant community included several other people who made a vocal contribution to economic discourse in England, too, notably merchants Matthew Decker and Jacob Vanderlint.<sup>55</sup> It was in this very period that several English translations appeared of Pieter de la Court's forceful plea for deregulation in economic life, first published in Dutch in 1662, called *Interest van Holland*.<sup>56</sup> Moreover, England had by the end of the seventeenth century already witnessed the emergence of ›a science of trade‹. The growth of this ›science of trade‹ was linked to a long series of economic discussions, starting in the 1620s, arising – in Charles Wilson's words – ›from competing private interests and from attempts to reconcile the demands of the mercantile interests in the State with needs deemed to be those in of the Commonwealth as a whole.‹<sup>57</sup> It was not a foregone conclusion that the East-India interest, the Levant interest, the Hudson Bay interest or any other sectoral interest would reign supreme. In the Dutch Republic, by contrast, the degree of competition between sectoral interests was much lower, as the interests of East-India Company and the grain merchants clearly enjoyed predominance, and the priority of mercantile interests in the State as a whole was for a long time widely accepted.<sup>58</sup> And this lack of competition between sectoral interest may, in the final analysis, have hampered the evolution of Dutch economic discourse into the

*Nederlanden. De vrijheid van drukpers in de zeventiende eeuw*, The Hague 1998, 104f.; R. Dekker: ›Private vices, public virtues revisited‹. The Dutch Background of Bernard Mandeville, in: *History of European Ideas* 14 (1992), 481–498.

<sup>53</sup> H. J. Cook: ›Bernard Mandeville and the Therapy of ›the Clever Politician‹, in: *Journal of the History of Ideas* 60 (1999), 101–124, 113–116, 122–124; E. J. Hundert: ›Bernard Mandeville and the Enlightenment's maxims of modernity‹, in: *Journal of the History of Ideas* 56 (1995), 577–593, 583–587.

<sup>54</sup> D. Ormrod: *The Rise of Commercial Empires. England and the Netherlands in the Age of Mercantilism, 1650–1770*, Cambridge 2003, 92, 94f.

<sup>55</sup> Hutchison: *Before Adam Smith* (op. cit.), 115–126, 129–133..

<sup>56</sup> I. W. Wildenberg: *Johan & Pieter de la Court (1622–1660 & 1618–1685). Bibliografie en recept-tiegeschiedenis*, Amsterdam, Maarssen 1986, 133f.

<sup>57</sup> Ch. Wilson: *England's Apprenticeship 1603–1763*, London, New York 1984, 58.

<sup>58</sup> Van Tijn: ›Dutch Economic Thought‹(op. cit.), 7–8 seems to hint at this explanation, too.

direction explored in England. Thus, the ambience for Mandeville's ideas was in the early eighteenth century more favorable in England than in the Dutch Republic.

### Conclusion

This article has looked at tendencies of convergence and divergence in economic discourse in Europe between the heyday of Scholasticism and the rise of Mandeville and more specifically at the position of the Dutch Republic therein. Convergence in economic thinking in many ways proved to be stronger than disparities in economic performance. Economic discourse in the most advanced capitalist economy of the day, viz. the Dutch Republic, turned out not to be significantly different from discursive traditions in other European countries. On the other hand, the degree of variation in economic discourse in Europe that emerged in the early modern period was in fact greater than Cosimo Perrotta has suggested. Economic thought between c.1500 and 1700 began to show increasing divergence by country, language and social group. However, the divergence that actually occurred was not related to the rate or the level of economic development either. A comparative analysis of the Netherlands and England proved that the explanation can primarily be found in a combination of cultural factors and socio-political conditions.